



**COUNTY OF LOS ANGELES  
DEPARTMENT OF AUDITOR-CONTROLLER**

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AUDITOR-CONTROLLER

WENDY L. WATANABE  
CHIEF DEPUTY

October 9, 2007

TO: Supervisor Zev Yaroslavsky, Chairman  
Supervisor Gloria Molina  
Supervisor Yvonne B. Burke  
Supervisor Don Knabe  
Supervisor Michael D. Antonovich

FROM: J. Tyler McCauley   
Auditor-Controller

SUBJECT: **WEST SAN GABRIEL VALLEY CONSORTIUM dba CAREER  
PARTNERS – EL MONTE CONTRACT – A DEPARTMENT OF  
COMMUNITY AND SENIOR SERVICES WORKFORCE INVESTMENT  
ACT PROGRAM PROVIDER**

We have conducted a program, fiscal and administrative contract review of West San Gabriel Valley Consortium dba Career Partners – El Monte (El Monte or Agency), a Department of Community and Senior Services (DCSS) Workforce Investment Act (WIA) Program provider.

**Background**

DCSS contracts with El Monte, a private non-profit organization to provide and operate the WIA Youth and Foster Youth Programs. The WIA Youth Program is a comprehensive training and employment program for in-school and out-of-school youth ages 14 to 21 years old. The WIA Foster Youth Program is a comprehensive training and employment program for pregnant and parenting foster youth and foster youth in need of work experience. El Monte's offices are located in the First and Fifth Districts.

El Monte is compensated on a cost reimbursement basis. El Monte's contract was for \$721,222 for Fiscal Year 2006-07.

*"To Enrich Lives Through Effective and Caring Service"*

### **Purpose/Methodology**

The purpose of the review was to determine whether El Monte complied with its contract terms and appropriately accounted for and spent WIA funds in providing services to eligible youth participants. We also evaluated the adequacy of the Agency's accounting records, internal controls and compliance with federal, State and County guidelines.

### **Results of Review**

El Monte maintained sufficient internal controls over its business operations. The Agency's Cost Allocation Plan was prepared in compliance with the County contract and costs were appropriately allocated. However, El Monte inappropriately provided \$100 incentives to eight (57%) of the 14 participants sampled. El Monte also did not maintain signed incentive policies to support the expenditures in the participants' case files as required by WIA guidelines. As a result, El Monte overbilled DCSS \$800.

El Monte also enrolled eight (57%) of the 14 participants as individuals with cultural and language barriers. However, El Monte did not document in the case files how each established goal would assist the participants overcome their cultural and language barriers. In addition, El Monte did not always obtain criminal record clearances of staff assigned to the County contract.

Details of our review along with recommendations for corrective action are attached.

### **Review of Report**

We discussed our report with El Monte and DCSS on August 7<sup>th</sup> and August 30<sup>th</sup>, 2007. Based on our discussions with El Monte, they agreed to repay the \$800 overbilled.

In their attached response, El Monte generally agreed with our recommendations. However, El Monte indicated that DCSS personnel informed them that criminal record clearances were not required if El Monte showed due diligence in their attempt to comply with the Standard Terms and Conditions of the County contract.

The County contract indicates that "the contractor agrees, as permitted by law, to ascertain arrest and conviction records for all current and prospective employees, independent contractors, volunteers or subcontractors who may come in contract with people in the course of their work, volunteer activity or performance of the subcontract and shall maintain such records on the file of each such person." In addition, for the safety of the County's youth, criminal clearances should be required for all employees without exception.

DCSS management indicated that they are currently in the process of reviewing this requirement with County Counsel. We will follow-up our recommendations during next year's monitoring review.

We thank El Monte for their cooperation and assistance during this review. Please call me if you have any questions or your staff may contact Don Chadwick at (626) 293-1102.

JTM:MMO:DC  
Attachment

c: William T Fujioka, Chief Executive Officer  
Cynthia Banks, Director, Department of Community and Senior Services  
Raymond Gibbs, Executive Director, West San Gabriel Valley Consortium dba  
Career Partners – El Monte  
Public Information Office  
Audit Committee

**WORKFORCE INVESTMENT ACT PROGRAM  
WEST SAN GABRIEL VALLEY CONSORTIUM  
dba CAREER PARTNERS – EL MONTE  
FISCAL YEAR 2006-07**

**ELIGIBILITY**

**Objective**

Determine whether West San Gabriel Valley Consortium dba Career Partners – El Monte (El Monte or Agency) provided services to individuals that meet the eligibility requirements of the Workforce Investment Act (WIA).

**Verification**

We sampled 14 (12%) of the 117 participants that received services between July 2006 and January 2007 and reviewed their case files for documentation to confirm their eligibility for WIA services.

**Results**

El Monte maintained adequate documentation in the participants' case files to support the participants' eligibility for all 14 program participants.

**Recommendation**

**There are no recommendations for this section.**

**BILLED SERVICES/CLIENT VERIFICATION**

**Objective**

Determine whether the Agency provided the services in accordance with the County contract and WIA guidelines. In addition, determine whether the program participants received the billed services.

**Verification**

We reviewed the documentation contained in the case files for 14 (12%) participants that received services during July 2006 through January 2007. We also interviewed five of the participants/guardians.

## **Results**

The five participants/guardians interviewed stated that the services the participants received met their expectations. However, El Monte gave \$100 incentives to eight (57%) of the 14 participants sampled for scoring a 9.0 grade level or above on the pre-assessment exam administered prior to the individuals' actual enrollment into the WIA Youth Program or development of the Individuals Service Strategy (ISS) plans. According to WIA guidelines, an incentive is a reward for achieving pre-determined measurable performance benchmark, as documented in the Individual Service Strategy (ISS) plan. Since the eight individuals were not enrolled in the program, they should not have received \$100 incentives.

El Monte also did not maintain signed incentive policies to support the expenditures in the participants' case files as required by WIA guidelines for the same eight (57%) participants. According to WIA guidelines, a signed copy of the incentive policy must be maintained in the participants' case files. The unallowable and unsupported incentives totaled \$800.

In addition, El Monte did not always comply with WIA guidelines. Specifically, El Monte:

- Did not report the program activity for one (7%) of the 14 participants sampled on the Job Training Automations (JTA) system. Specifically, the one participant left the WIA program in March 2006. However, as of January 2007, El Monte had not reported the exit on the JTA system as required by WIA guidelines. The JTA system is used by the State of California Employment Development Department and the Department of Labor to track WIA participant activities.
- Enrolled eight (57%) of the 14 participants under the 6<sup>th</sup> Eligibility Barrier category as individuals with cultural and language barriers. However, El Monte did not document in the case files how each established goal would assist the participants overcome their cultural and language barriers.

## **Recommendations**

**El Monte management:**

- 2. Repay DCSS \$800.**
- 3. Ensure that incentives are provided to eligible participants enrolled in the program and who achieved pre-determined measurable performance benchmarks as documented in their ISS plans.**
- 4. Ensure that signed incentive policies are maintained in the participants' case files.**

5. Ensure that staff update the JTA system to reflect the participants' program activities.
6. Ensure that goals are established to assist the participants overcome their barriers.

### **CASH/REVENUE**

#### **Objective**

Determine whether cash receipts and revenues are properly recorded in the Agency's records and deposited timely in their bank account. In addition, determine whether there are adequate controls over cash, petty cash and other liquid assets.

#### **Verification**

We interviewed Agency personnel and reviewed financial records. We also reviewed the Agency's December 2006 bank reconciliation.

#### **Results**

El Monte maintained adequate controls to ensure that revenue was properly recorded and deposited in a timely manner.

#### **Recommendation**

There are no recommendations for this section.

### **EXPENDITURES/PROCUREMENT**

#### **Objective**

Determine whether program related expenditures were allowable under the County contract, properly documented and accurately billed.

#### **Verification**

We interviewed Agency personnel, reviewed financial records and other documentation to support 33 non-payroll expenditures transactions totaling \$18,659 (66%) of \$28,112 billed by the Agency for August and November 2006.

#### **Results**

El Monte's expenditures were allowable, accurately billed to DCSS and supported by documentation as required.

**Recommendation**

**There are no recommendations for this section.**

**INTERNAL CONTROLS/CONTRACT COMPLIANCE**

**Objective**

Determine whether the Agency maintained sufficient internal controls over its business operations. In addition, determine whether the Agency was in compliance with other program and administrative requirements.

**Verification**

We interviewed Agency personnel, reviewed their policies and procedures manuals, conducted an on-site visit and tested transactions in various non-cash areas such as expenditures, payroll and personnel.

**Results**

El Monte maintained sufficient internal controls over its business operations.

**Recommendation**

**There are no recommendations for this section.**

**FIXED ASSETS AND EQUIPMENT**

**Objective**

Determine whether El Monte's fixed assets and equipment purchases made with WIA funds are used for the WIA programs and are safeguarded.

**Verification**

We conducted a physical inventory of 11 (92%) of the 12 items funded by the WIA program.

**Results**

El Monte used the equipment purchased with WIA funding for the WIA program. In addition, the items were safeguarded.

**Recommendation**

**There are no recommendations for this section.**

**PAYROLL AND PERSONNEL****Objective**

Determine whether payroll was appropriately charged to the WIA program. In addition, determine whether personnel files were maintained as required.

**Verification**

We traced and agreed payroll expenditures for 14 employees in November 2006, totaling \$13,448 to the payroll records and time reports. We also interviewed one employee and reviewed the personnel files for five employees assigned to the WIA program.

**Results**

El Monte appropriately charged payroll expenditures to the WIA programs. However, El Monte did not obtain a criminal clearance for one (20%) of the five employees sampled. The County contract requires criminal clearances for all current employees who may come in contact with people in the course of their work.

**Recommendation**

- 7. El Monte management obtain a criminal clearance for all employees.**

**COST ALLOCATION PLAN****Objective**

Determine whether El Monte's Cost Allocation Plan was prepared in compliance with the County contract and the Agency used the plan to appropriately allocate shared program expenditures.

**Verification**

We reviewed El Monte's Cost Allocation Plan and reviewed a sample of expenditures incurred by the Agency during August and November 2006 to ensure that the expenditures were properly allocated to the Agency's programs.

**Results**

El Monte's Cost Allocation Plan was prepared in compliance with the County contract and costs were appropriately allocated.

**Recommendation**

**There are no recommendations for this section.**



**CLOSE-OUT REVIEW****Objective**

Determine whether the Agency's Fiscal Year (FY) 2005-06 final close-out invoice reconciled to the Agency's financial accounting records.

**Verification**

We traced and agreed the Agency's FY 2005-06 final close-out invoice submitted to DCSS to the Agency's total WIA program expenditures on their general ledger. The close-out invoice summarizes the total program expenditures for the fiscal year. We also reviewed a sample of expenditures incurred in April, May and June of 2006.

**Results**

El Monte's final close-out invoice reconciled to the Agency's financial records.

**Recommendation**

**There are no recommendations for this section.**

**PRIOR YEAR FOLLOW-UP****Objective**

Determine the status of the recommendations reported in the prior monitoring review completed by the Auditor-Controller.

**Verification**

We verified whether the outstanding recommendations from the FY 2005-06 monitoring review were implemented. The report was issued on November 3, 2006.

**Results**

El Monte implemented all five recommendations in the prior year's monitoring report.

**Recommendation**

**There are no recommendations for this section.**

## Career Partners

West San Gabriel Valley Consortium  
1000 S. Fremont Avenue, Unit #51  
Alhambra, CA 91803  
www.careerpartners.org

September 12, 2007



J. Tyler McCauley, Auditor-Controller  
Los Angeles County  
Department of Auditor-Controller  
Countywide Contract Monitoring Division  
1000 S. Fremont Avenue, Unit #51  
Alhambra, CA 91803

**Re: 2006-2007 Fiscal and Administrative contract review of West San Gabriel Valley Consortium dba Career Partners- (El Monte) Workforce Investment Act (WIA) Programs provider. By Countywide Contract Monitoring Division**

Dear Mr. McCauley:

We are submitting a reply to the draft monitoring report received by e-mail on August 31, 2007. West San Gabriel Valley Consortium dba Career Partners has reviewed the findings, which are identified in the report, and we will initiate procedures to make the necessary adjustments.

The enclosed documents illustrate the corrective actions we have taken in response to the findings.

If you have any questions or need additional clarification, please call Raymond L. Gibbs at 626-569-1100 or Lina Hsiung at 626-569-1102.

Sincerely,

A handwritten signature in cursive script that reads "R. L. Gibbs".

Raymond L. Gibbs  
Executive Director

cc: Jackie Sakane @ Community and Senior Services County of Los Angeles



## Career Partners

1000 N. Main Ave. • Mount Laurel, NJ 08054  
609.576.5771 • [www.mtl.org/careers](http://www.mtl.org/careers)

September 11, 2007

Yoon Bae, 2006  
Senior Accountant Audit  
Department of Auditor Controller

### Recommendations:

El Monte management:

2. Repay DCSS \$800

***Under the existing policy all students scoring above the ninth grade level are eligible for receiving the incentive as long as they were enrolled/active participants in the program, management has changed the policy and will ensure that only participants participating in basic skills remediation will receive the incentive if eligible for it.***

3. Ensure that incentives are provided to eligible participants enrolled in the program and who achieved pre-determined measurable performance benchmark as documented in their ISS plans.

***Management has changed policy and will ensure that the policy is enforced.***

4. Ensure that a signed incentive policy is maintained in the participant's case file.

***All participants did receive the incentive policy and signed for the incentive. Management has changed the policy and now has a place for the participant to sign on the same policy.***

5. Ensure that staff updates the JTA system to reflect the participant's program activities.

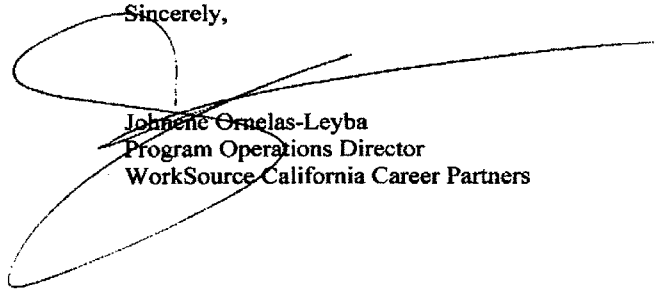
***Management will ensure that all files are reviewed regularly and that all MIS paperwork is completed on a timely basis.***

6. Ensure that goals are established to assist the participants overcome the barriers.

***Staff does document all goals on ISS/Case Notes, which is an extension of the ISS and ensures that all program goals are met based off the initial assessment. In addition staff will address any barriers that may occur throughout the program to ensure a successful completion.***

Thank you once again for your time and recommendations with regards to our monitoring visit. Your input and suggestions are greatly appreciated. If you have any questions regarding this letter please feel free to contact me at (626) 569-1106.


Sincerely,



Johnene Ornelas-Leyba  
Program Operations Director  
WorkSource California Career Partners

West San Gabriel Valley Consortium

**MEMORANDUM**

DATE: September 10, 2007  
TO: Raymond L. Gibbs, Executive Director  
FROM:  Elaine Tsui, Human Resources & Facilities Director  
SUBJECT: Submitted Response to Auditor-Controller's Finding on Item #7 (Payroll and Personnel) of Draft Report, Subject West San Gabriel Valley Consortium dba Career Partners - El Monte Contract - Workforce Investment Act Youth Program (Fiscal Year 2006-07)

In conjunction with the Auditor-Controller's review of our agency's Workforce Investment Act Programs for Fiscal Year 2006-07, specifically in the area of Payroll and Personnel. Our agency has diligently conducted criminal background checks on all of its employees, in addition to a search of the sex offender registry for all youth program employees. However, one individual employee declined to sign a background check consent form, despite of reassurance to that individual staff member that no other background investigation was solicited from the investigating firm. As a result, staff has made the following effort to remedy the finding:

1. Review Contract provisions governing Criminal Clearances. Under the Contract Standard Terms and Conditions, the following provision is noted within the Contracts:

"At any time prior to or during term of this Contract, the County may require that all CONTRACTOR's staff performing work under this Contract undergo and pass, to the satisfaction of COUNTY, a background investigation, as a condition of beginning and continuing to work under this Contract. COUNTY shall use its discretion..."

2. Sought out recommendation from the Lead Auditor, Ms. Yoon Bae, from the Office of Auditor-Controller, although Ms. Bae maintained that any recommendation shall originate from L.A. County.
3. Sought our recommendation from the County's Contract Compliance Management Division (CCMD) through Jenifer Valdez. On September 10, 2007, Ms Valdez relayed CCMD's conclusion as follows:

"Since [the Los Angeles County's CCMD has no] existing policy on this matter, for now, given the existing language in the Contract which states "may" instead of "must," so long as [Career Partners] can show due diligence in [its] attempt to comply with the Standard Terms & Conditions of the Contract, it should be sufficient for the Auditor Controller, and any follow up questions will be addressed accordingly."

As a result of CCMD's conclusion, as relayed through Ms. Valdez, Career Partners awaits further instructions from CCMD.